

The complaint

Mr K has complained about the way U K Insurance Limited, trading as Direct Line, administered his buildings insurance policy.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The circumstances of this complaint aren't in dispute, so I'll summarise my findings:

- Mr K held an annual buildings insurance policy with Direct Line, which he paid for monthly. It renewed in 2023 for around £465.
- In July 2023, Mr K let Direct Line know the property had become empty. It said that would increase the total premium. Given what Mr K had paid already, that would have increased his remaining nine monthly payments to £59.
- Mr K received several letters from Direct Line which set out differing payment schedules. When Mr K queried this with Direct Line, it couldn't explain what had happened and suggested there may have been a system fault. He complained.
- Direct Line then sent a letter setting out a correct payment schedule and explained the change to the premium and number of monthly payments clearly.
- Direct Line responded to the complaint. It apologised that its service team couldn't help Mr K when he called, but it said it had gathered information from the finance team to explain what had happened, had tried to call Mr K back, and had then written to him to set out the correct position.
- Our investigator thought Direct Line should have taken more care to give Mr K correct and clear information – but it had put things right within a reasonable amount of time. And it had ultimately charged the correct premium. She thought Direct Line's apology was a reasonable response to the complaint.
- Mr K didn't think this was fair. He said he'd been financially disadvantaged by the change and had been caused avoidable distress by Direct Line.
- I'm not going to uphold this complaint. I'll explain why:
 - Direct Line has explained the correct payment schedule. That meant Mr K paid the right amount for his annual policy. Whilst the change reduced the number of payments from 12 to 11, I haven't seen anything to suggest that materially disadvantaged him financially.

- It's without doubt that Direct Line should have been clearer in its communication with Mr K. Sending him multiple letters, with different information, and in a short space of time, was unhelpful and confusing.
- And when Mr K queried it, Direct Line's service team couldn't immediately explain what had happened. It blamed a system fault, but it's unclear why.
- However, it did refer the matter to the finance team, and they confirmed the correct position clearly to Mr K. It did this reasonably promptly.
- Overall, I'm satisfied Direct Line made a mistake. But it was a relatively small administrative error with a short delay. In these circumstances, I consider an apology is a reasonable remedy for the impact of the mistake.
- Whilst it's clear Direct Line caused Mr K some avoidable distress and inconvenience, I don't think it reached the level such that compensation should be paid.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 June 2024.

James Neville
Ombudsman